

**STATE OF WASHINGTON**  
**Department of Retirement Systems**

**Request for Qualifications and Quotations**  
**#1151**

**Quality Assurance Services**  
**For**  
**Public Employees' Retirement System Plan 3 Project**

**January 2001**

---

**Project Title:** **RFQQ #1151**  
**Quality Assurance Services for Public Employees'**  
**Retirement System Plan 3 Project**

**Expected Time Period** Proposed individuals must be able to work from  
**For Contract:** approximately March 2001 to June 2003.

**Response Due Date:** All responses, whether mailed or hand delivered, must arrive no later than **4:00 p.m. Pacific Standard Time at the address below, on February 19, 2001.** Faxed or e-mailed responses will not be accepted.

**Submit Response To:** Washington State Department of Retirement Systems  
P.O. Box 48380  
Olympia, WA 98504-8380  
RE: RFQQ #1151  
Attn: Yolandatheresa Gray-Thomas

*Street Address:*  
Washington State Department of Retirement Systems  
6835 Capitol Boulevard  
Tumwater, Washington

**Vendor Eligibility:** All individuals and/or firms who are qualified and meet the requirements set forth in this RFQQ.

## Table of Contents

1. Procurement Schedule	-----	3
2. Procurement Process	-----	3
2.1 RFQQ Coordinator		
2.2 Delivery of Proposals		
2.3 Proprietary Information		
3. Scope and Background	-----	4
3.1 Overview		
3.2 DRS Background		
3.3 PERS Plan 3 Project		
3.4 Project Organization		
3.5 Scope of QA Services		
3.6 Period of Performance		
3.7 Acquisition Authority and Funding		
3.8 Payment		
4. Desirable Vendor Qualifications	-----	10
4.1 Experience – QA		
4.2 Experience – Hardware, Software, Methodologies and Practices		
5. Proposal Content	-----	11
5.1 Letter of Submittal		
5.2 Vendor’s Overall Qualifications		
5.3 Vendor’s Direct Experience		
5.4 Proposed Quality Assurance Consultant’s Qualifications		
5.5 References		
5.6 Fee Schedule		
5.7 Certification and Assurances		
6. Evaluation and Award	-----	14
6.1 Administrative Screening		
6.2 Qualitative Review		
6.3 Financial Evaluation		
6.4 Proposal Score		
6.5 Finalist Interviews		
6.6 Contract Interviews		
6.7 Notice		
6.8 Debriefing		
6.9 Protest Procedures		
Exhibits	-----	17

## 1. Procurement Schedule

EVENT	DATE
Issue RFQQ #1151	January 19, 2001
Vendor's Written Questions to DRS	February 2, 2001
DRS' Responses to Vendor's Questions Issued	February 9, 2001
RFQQ Responses to DRS	February 19, 2001
Finalist Interviews	February 27 – 28, 2001
Announce Apparent Successful Vendor	March 2, 2001
Complete Contract Negotiations	March 9, 2001
Start Work	March 23, 2001

**DRS reserves the right to revise this schedule. Unless otherwise stated, items are due to the Washington State Department of Retirement Systems (DRS) by the close of business (5:00 p.m. local time) on the date shown.**

## 2. Procurement Process

### 2.1 RFQQ Coordinator:

Contact the RFQQ Coordinator below if you have any questions or concerns, including concerns about the procurement schedule.

RFQQ Coordinator: Yolandatheresa Gray-Thomas  
Washington State Department of Retirement Systems  
P.O. Box 48380  
Olympia, WA 98504-8380  
Telephone: (360) 664-7342  
FAX: (360) 753-5397  
E-mail: yolandag@drs.wa.gov

### 2.2 Delivery of Proposals

#### 2.2.1 Responses Delivered by Mail

Vendors are encouraged to use registered mail or other delivery service, which provides proof of receipt such as one of the following:

- A legible mail receipt with the date of receipt noted by the U.S. Postal Service and signed by a DRS recipient; or
- A dated shipping label, invoice or receipt from a commercial carrier.

DRS assumes no responsibility for delay caused by the U.S. Postal Service or state mail delivery

services. Postmarking by the due date will not substitute for actual proposal receipt. Time extensions will not be granted

### **2.2.2 Responses Delivered by Hand/Courier Service**

Hand delivered proposals will be accepted between 8:00 a.m. and 5:00 p.m. (Pacific Standard Time in Olympia, Washington) daily, except Saturdays, Sundays and State Holidays.

## **2.3 Proprietary Information**

Clearly mark any portion(s) of your proposal which contains proprietary information. You may not mark the entire proposal as proprietary. Marking the entire proposal as proprietary will result in the proposal's disqualification. If your proposal is successful, and DRS receives a request to view or copy your proposal, DRS shall respond according to public disclosure procedures described in this RFQQ. However, if any information in your proposal is marked as proprietary, DRS shall not make that portion available without giving you an opportunity to seek a court order preventing disclosure.

# **3. Scope and Background**

## **3.1 Overview**

DRS seeks bids from qualified firms or individuals to provide Quality Assurance Services (QA) to DRS' Public Employees' Retirement System (PERS) Plan 3 Project.

## **3.2 DRS Background**

DRS is a state agency created by the 1976 Washington State Legislature. The enabling legislation is found in Chapter 41.50 of the Revised Code of Washington (RCW). DRS currently administers the state's seven public sector retirement systems with 12 separate plans that have a combined value of approximately \$47 billion. The retirement systems and plans are

- PERS Plan 1 and Plan 2;

- Teachers' Retirement System (TRS) Plan 1, Plan 2 and Plan 3;

- Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 1 and Plan 2;

- Washington State Patrol Retirement System (WSPRS);

- School Employees' Retirement System (SERS) Plan 2 and Plan 3;

- Judicial Retirement System (JRS); and,

- Judges Retirement System.

All are defined benefit plans, with the exception of TRS Plan 3 and SERS Plan 3, which are dual hybrid defined benefit / defined contribution plans.

## **3.3 PERS Plan 3 Project**

In 2000, the Washington State Legislature enacted Engrossed Substitute Senate Bill 6530, which added Plan 3 to PERS. PERS Plan 3 is a defined benefit / defined contribution plan, allowing more flexibility and self-direction for employees in planning and preparing for their retirement. Provisions with the bill allow PERS Plan 2 members to transfer to Plan 3 and new employees to select between Plan 2 or Plan 3. Once the transfer decision has been made, it is irrevocable. Currently, there are approximately 126,000 PERS Plan 2 members affected by the implementation of Plan 3 who must be educated regarding their rights and benefits of PERS Plan 2 and Plan 3 so they may make informed transfer and investment decisions. There are approximately 900 employers (state agencies, higher education, and local governments) who must change their payroll and benefits procedures and automated systems. Plan 3 will be phased in, starting March 1, 2002, for state agencies and higher

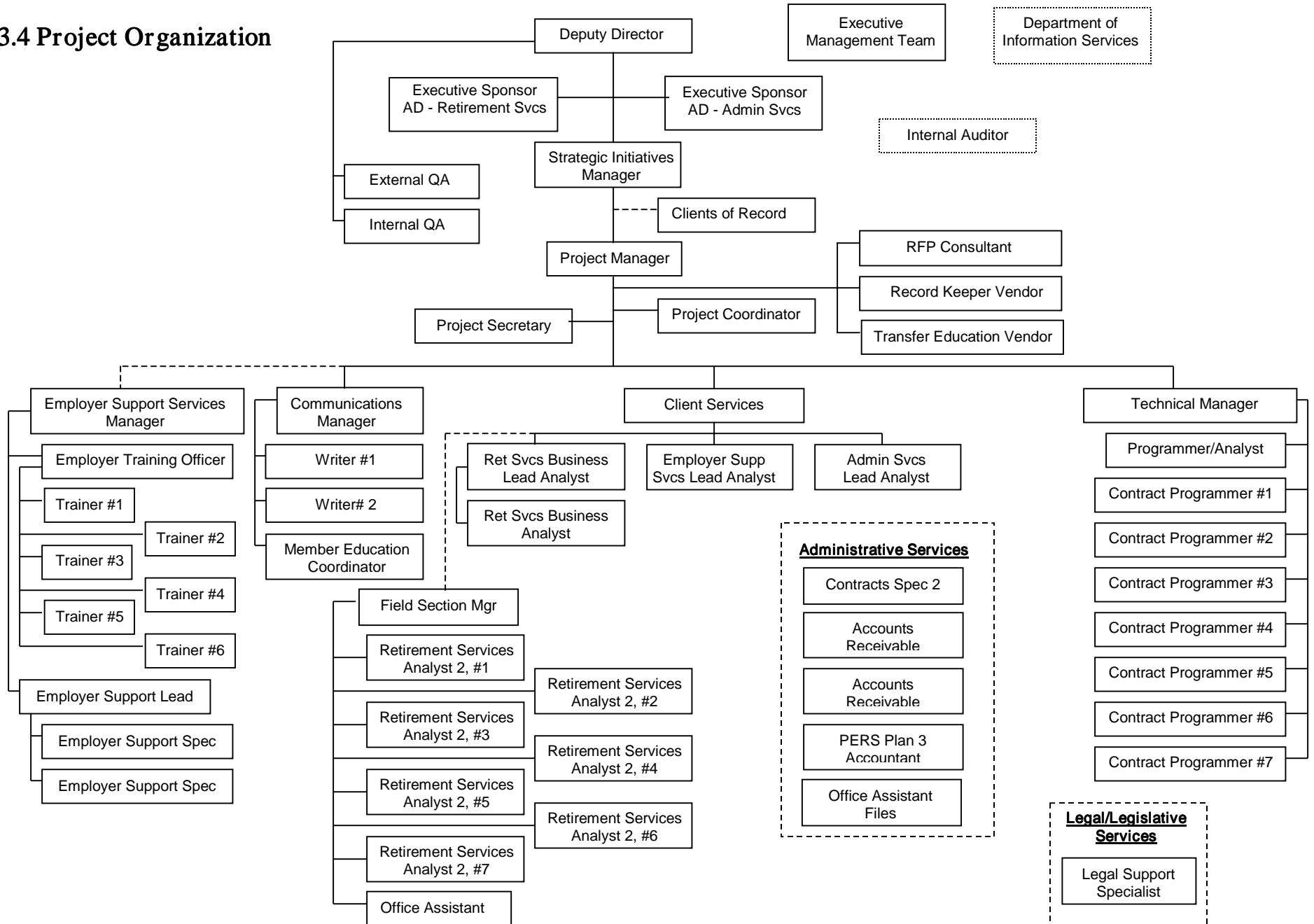
education employers/employees and September 1, 2002 for local government employers/employees. Following is a summary level description of the project stages.

Stage	Description/Activities
1. Project Planning	Project Planning and Initiation. Activities include: <ul style="list-style-type: none"> <li>• Hiring Project Manager, Project Coordinator</li> <li>• Developing Project Charter and obtaining approval</li> <li>• Developing Acquisition Plan and obtaining approval</li> <li>• Developing Project Plans based on legislative fiscal note</li> <li>• Acquiring external QA services</li> <li>• Coordinating on-going project activity</li> </ul>
2. Record Keeper Acquisition	Selecting and contracting with a third party record keeper. Activities include: <ul style="list-style-type: none"> <li>• Prepare and distribute Request for Proposal (RFP)</li> <li>• Evaluate proposals and select vendor</li> <li>• Negotiate contract</li> </ul>
3. Development of Business Requirements	Identifying and defining the requirements that must be met to implement PERS Plan 3. Activities include: <ul style="list-style-type: none"> <li>• Analyze authorizing legislation</li> <li>• Develop DRS requirements</li> <li>• Develop record keeper requirements</li> </ul>
4. DRS Systems Development	Modifying DRS mainframe applications and building interfaces to record keeper's system. Activities include: <ul style="list-style-type: none"> <li>• Modify DRS systems</li> <li>• Build interfaces to record keeper systems</li> <li>• Assist employers in modifying their reporting processes/systems to DRS</li> </ul>
5. Record Keeper Systems Development	Modifications and interfaces developed by the Record Keeper to comply with DRS requirements. In addition to vendor specific work, activities include: <ul style="list-style-type: none"> <li>• Test interfaces to DRS systems</li> <li>• Test data transmittal processes</li> <li>• Test implementation and conversion processes</li> <li>• Train system users</li> </ul>
6. Employer Support	Working with state agency, higher education and local government employers to ensure accurate and timely reporting when PERS Plan 3 is implemented. Activities include: <ul style="list-style-type: none"> <li>• Develop employer reporting requirements</li> <li>• Develop employer training program</li> <li>• Monitor and assist employers in making changes to their reporting processes to comply with reporting requirements</li> <li>• Train employers</li> <li>• Assist employers reporting manually in converting to automated reporting</li> </ul>
7. Employer Systems Development	Modifications and interfaces developed by employers to comply with DRS reporting requirements. In addition to employer specific work activities include <ul style="list-style-type: none"> <li>• Test employer developed reporting systems and procedures</li> </ul>

Stage	Description/Activities
	<ul style="list-style-type: none"> <li>• Test DRS developed, web-enabled reporting system and procedures</li> </ul>
8. Member Education	<p>Working with employee and employer representatives to define and acquire education resources to educate 126,000 PERS 2 members and all new members regarding the rights and benefits of PERS Plan 2 and Plan 3 and the decisions to be made if transferring from Plan 2 to Plan 3. Activities include:</p> <ul style="list-style-type: none"> <li>• Prepare and distribute Transfer Education RFP</li> <li>• Evaluate Proposals and select vendor(s)</li> <li>• Negotiate contract(s)</li> <li>• Development of Transfer Education Training Plan and training materials</li> <li>• Implementation of Transfer Education program</li> <li>• Development of Investment Education Training Plan and training materials</li> <li>• Implementation of Investment Education program</li> <li>• Monitor on an on-going basis, the effectiveness of the training programs</li> </ul>
9. Implementation	<p>Implement PERS Plan 3. Activities include:</p> <ul style="list-style-type: none"> <li>• Train DRS staff</li> <li>• Transition programs, data and operations to production environment from test environment</li> <li>• Open Phase 1 transfer window for state agency and higher education PERS 2 members</li> <li>• Close Phase 1 transfer window</li> <li>• Open Phase 2 transfer window for local government PERS 2 members</li> <li>• Close Phase 2 transfer window</li> <li>• Process transfer and gain sharing payments</li> <li>• Process open enrollment each January for PERS 2 members with transfer rights who elect to transfer</li> </ul>

Information technology projects may require oversight from the Department of Information Systems (DIS) and Information Services Board (ISB). The DRS Acquisition Plan has been approved by DIS. The project has been evaluated as having a moderate severity level and low risk level, meriting an oversight level of one. Level one oversight is internal to the agency and does not require DIS or ISB approval after the Acquisition Plan. However, DRS has committed to providing regular status reports to DIS, and the DIS oversight liaison is invited to all regularly scheduled project meetings.

### 3.4 Project Organization



### 3.5 Scope of QA Services

#### 3.5.1 QA Objectives

The QA consultant will provide timely, independent and objective review of the project. This includes but is not limited to the following items

- 3.5.1.1 Perform periodic review to assure that effective project planning, management, organization structure, risk assessment and mitigation, and project controls are being applied appropriately to ensure project success.
- 3.5.1.2 Provide consultative support to Project Executive Sponsors, Strategic Initiatives Team Manager, and Project Manager in the development and implementation of remedial actions based on findings from the periodic review or external influences.
- 3.5.1.3 Provide an independent and objective evaluation of the project's progress towards and achievement of milestones; and delivery of services and products compared to schedule, quality and budget expectations.

#### 3.5.2 QA Project Management and Organization

The QA consultant may, at his or her discretion, perform required work off-site using his or her own equipment, or on-site using DRS facilities. The consultant is required to be present at and use DRS facilities to the extent that the fulfillment of the contract requires the consultant to provide consultation services to DRS employees.

DRS will provide guidance and review to the QA consultant regarding progress toward the completion of the tasks and deliverable identified in the agreed upon QA work plan (see section 3.5.3).

No employees of DRS will be supervised by or report to the QA consultant. The consultant will be available as a resource to DRS employees when required and will have access to DRS staff as necessary to carry out their responsibilities.

The QA consultant is responsible for obtaining or possessing any training necessary to complete the contract. The consultant is responsible for her or her own work schedule, although DRS can require the consultant's attendance at necessary meetings or conferences.

It is DRS' intent to enter into a fixed price contract for the tasks and deliverables described in section 3.5.3, Anticipated QA Tasks and Deliverables, unless otherwise stated. DRS will provide no employee benefits or reimbursement for travel or other expenses. The consultant is engaged for the term of the contract only. No continuing working relationship is contemplated outside of the terms of the contract that may result from this acquisition.

The QA consultant may, during the course of this engagement, provide services to other clients providing the services to other clients:

- Do not constitute a conflict of interest with DRS work as detailed under the standard DRS contract General Terms and Conditions (see example contract in Exhibit A);
- Do not interfere with the completion of agreed upon DRS tasks and deliverables on a timely basis.

According to Item 8 in the DIS Policy titled Responsibilities and Obligations For Quality Assurance, vendors providing system development services on the PERS Plan 3 project are precluded from providing QA services.

The DRS Contract Specialist will act as the contract administrator for any contract that may result from this RFQQ. The DRS Strategic Initiatives (SI) manager will be responsible for approving invoices submitted by the QA consultant and the acceptance of contract deliverables.



### 3.5.3 Anticipated QA Tasks and Deliverables

As indicated below the QA work plan is the first task/deliverable. Unless otherwise stated, all tasks and deliverables are subject to review by the DRS SI manager as to satisfactory completion. Acceptance of the task or deliverable will not be unreasonably withheld.

**3.5.3.1 Develop and Gain Approval of QA Work Plan:** In conjunction with the DRS PERS Plan 3 Project Manager, develop a QA work plan and obtain Executive Sponsors' and Strategic Initiatives Manager's approval of the Plan. The plan must specifically define the review components, roles, tasks, responsibilities, schedule, and report content to perform the QA reviews and produce the QA reports in Sections 3.5.3.2 and 3.5.3.4. Additionally, the plan must describe how the vendor will provide services in support of Section 3.5.3.3.

DRS will provide the selected QA consultant access to project staff, work plans and documentation in order to prepare the QA work plan. DRS may ask for changes in the work plan. Approval of the work plan is at DRS' sole discretion. Should agreement between DRS and the QA consultant on the work plan not be reached in a timely manner, DRS reserves the right to terminate the contract and pay the QA consultant for work completed to date at the hourly rate to be stipulated in the contract.

**3.5.3.2 Perform QA Reviews and Produce QA Reports:** Conduct reviews of the PERS Plan 3 Project and related activities regarding project management, risk assessment and mitigation, actual progress compared to plans, and quality of services and products.

Related activities to be reviewed include but are not limited to

- System development and conversion efforts performed by the selected record keeping vendor;
- DRS system development and conversion efforts;
- Data migration activities of the existing record keeper to the new record keeper, if required;
- Changes to procedures and processes by state agency, higher education and local government employers to comply with DRS reporting requirements; and,
- Transfer and investment education programs to be developed and implemented by vendor(s) acquired and overseen by DRS.

The frequency of the QA reviews may be modified during the development and approval of the QA work plan. DRS reserves the right to request a review at any point in the project.

Findings and recommendations from the QA Reviews will be documented in a QA Report submitted to the the Strategic Initiatives Manager, Project Manager, Project Coordinator, and Internal QA Manager. In addition to the findings and recommendations from the QA review, the QA Reports will outline current and anticipated QA activities and provide an overall prospective of project progress and critical issues. The vendor may be expected to present the QA Report in a meeting with the DRS Deputy Director, Strategic Initiatives Manager, Project Manager and Project Coordinator.

**3.5.3.3 Participate in the Development and Implementation of Remedial Plans:** Based on the findings and recommendations from the QA reviews and covered in the QA reports, provide consulting services with the appropriate DRS manager(s) to develop and implement remedial plans to ensure project success.

**3.5.3.4 Perform Post-Implementation Review and Report:** Following PERS Plan 3 implementation, prepare a post-implementation report including but not limited to:

- Degree of customer (internal) satisfaction;
- Unresolved issues;

- Uncompleted tasks;
- Cause(s) of schedule variances, if any;
- Cause(s) of budget variances, if any; and
- Lessons learned for future use.

### 3.6 Period of Performance

The proposed individual(s) must be available for work from March 23, 2001, through August 31, 2003.

### 3.7 Acquisition Authority And Funding

This RFQQ complies with the policies and procedures of the Office of Financial Management (OFM), the Department of Information Services (DIS) and the Information Services Board (ISB). OFM must also provide contract approval after negotiation with the Apparent Successful Vendor.

Any contract awarded as a result of this procurement is contingent upon the continued availability of state agency funding.

### 3.8 Payment

The vendor will be reimbursed on a fixed price basis for the approved QA Work Plan (Section 3.5.3.1), QA Reports (Section 3.5.3.2) and Post-Implementation Report (Section 3.5.3.4).

If agreement on the QA Work Plan cannot be reached, the vendor will be reimbursed for the work performed to date on an hourly basis. QA consultant participation in the development of remedial plans (Section 3.5.3.3) as requested by DRS will be reimbursed at an hourly rate.

The fixed prices and hourly rates will be stipulated in the contract. Invoices will be submitted to the DRS SI Manager for payment approval. Payment will be made monthly based on the approved invoices for that period.

## 4. Desirable Vendor Qualifications

### 4.1 Experience - QA

At a minimum, the following types and years of experience are desired in the selected vendor.

- Each **Bidding Vendor** should have a minimum of three (3) years recent experience on moderate to large Quality Assurance engagements.
- The **Quality Assurance Consultant** proposed by the Bidding Vendor should have a minimum of three years (3) recent experience as a project manager or, preferably, quality assurance consultant on moderate to large Information Technology projects. The three years of experience should be on **completed** projects, not projects currently in progress.
- “**Quality Assurance**” (QA) means review and analysis of information system projects to assure quality of deliverables and effectiveness of processes and minimization of risks. An aspect of quality assurance is code review, system testing and similar activities. **This is not** the type of activity expected of the quality assurance consultant for the purposes of this RFQQ. (Detail aspects of quality assurance will be performed by project personnel.) Executive level reviews and recommendations are the responsibilities placed on the QA consultant acquired through this RFQQ.
- To be considered “**recent**” experience, two (2) of the required three (3) years experience must have been gained within the three (3) years preceding the bid due date of this RFQQ.

- **“Moderate to large”** for purposes of this RFQQ means the project involved at least \$1 million and/or 200 customers, and/or at least 1,000 program modules.

## 4.2 Experience - Hardware, Software, Methodologies and Practices

The Vendor and the individual(s) proposed should demonstrate experience in the following:

- Mainframe platforms
- ADABAS and NATURAL
- Web enabled applications
- Client/Server platforms, software and applications
- LAN/WAN protocols and diagnostics
- System development methodology tools
- Structured design and development methodology
- Project management, data conversion activities and extensive coordination with end users
- Change management methods and tools
- Software Quality Assurance methods and automated tools

## 5. Proposal Content

### 5.1 Letter of Submittal

The proposal must be accompanied by a Letter of Submittal. The Letter of Submittal must

- Be in writing and identify the Vendor by name, address, telephone, fax, and electronic mail address if available.
- Be signed and dated by an individual with full authority to legally bind the entity submitting the proposal to the contents of the proposal.

The Letter of Submittal must contain at least the following components.

- 5.1.1 An itemization of all materials and enclosures being forwarded in response to the RFQQ.
- 5.1.2 A list of all RFQQ amendments you received. If you received no RFQQ amendments, please so state.
- 5.1.3 Clearly state the availability of each individual proposed, between the dates of March 23, 2001, and August 31, 2003. (Given the length of the engagement, it may be unreasonable to expect to retain the same individual(s) for the entire period. Therefore, in the contract DRS will require approval rights for any replacement of proposed individuals.)
- 5.1.4 The Vendor may include any other topics or statements in the letter as the Vendor deems appropriate and wishes to convey to DRS.
- 5.1.5 Indicate that, as a condition of contract award, Vendor will provide proof of insurance from its insurance carrier and that, at Vendor's own expense, Vendor will obtain and keep in force liability insurance during the term of the contract. Also indicate that Vendor will provide evidence in the form of a Certificate of Insurance to DRS within 15 calendar days of receipt of notice of award. (Liability insurance and worker's compensation coverage are detailed in Exhibit A.)
- 5.1.6 If the proposing entity, its predecessor, or any party named in the Vendor's response has contracted with DRS within the past 24 months, identify the Contract number and/or any other information available to identify such Contract(s). If no such Contracts exist, so declare.
- 5.1.7 If any party named in the Vendor's responses to this RFQQ is or was an employee of the

State of Washington in the past 24 months, identify the individual(s) by name, State agency by which employed or hired, job title of position held with the State, and separation date. If no such relationship exists, so declare.

**5.1.8** If any owner, key officer, or key employee of the Vendor is related by blood or marriage to any employee of DRS (including all its organizational parts), identify each such owner or employee of the Vendor, nature of the relationship, and employee of DRS to whom related. If no such relationship exists, so declare.

**5.1.9** If any employee of any agency of the State of Washington is employed by the Vendor, or sits on the governing board of the Vendor, identify all such persons by name, position held with the Vendor, and position held with the State (including job title and agency). Describe the responsibilities of such persons within the proposing organization. If no such relationship exists, so declare.

**5.1.10** Validation Period: Include a statement, that Vendor's proposal is valid for 90 days after receipt by DRS. Proposals valid for less than 90 days will be considered non-responsive and will be rejected.

**5.1.11** Vendor's UBI Number or Federal Tax ID.

**Note:** If, after review of this information by DRS, it is determined that a conflict of interest exists or may exist, as defined in Chapter 42.18 RCW, Executive Branch Conflict of Interest Act, the Vendor and/or employee may be disqualified from further consideration in this acquisition.

## **5.2 Vendor's Overall Qualifications**

The Proposal must contain a discussion of the Vendor's qualifications to perform this engagement. In this section Vendors will

- Present a discussion of the Vendor's overall qualifications and specific experience in the performance of engagements that are related to Quality Assurance Review of the management, acquisition, design, modification, and implementation of projects similar in scope and nature to DRS' PERS Plan 3 Project.
- Present detail of Vendor's experience that clearly describes the type of projects and years of experience on each project.
- Limit this discussion to experience of the 10 years preceding the Proposal due date with emphasis on recent engagements.

## **5.3 Vendor's Direct Experience**

In this section, Vendors will describe projects, comparable to the proposed project as described in Section 3.3, for which the Vendor provided Quality Assurance Review that included the hardware, software, methodologies and practices identified in Section 4.2. The Vendor will also describe the nature and extent of their QA involvement in these projects.

## **5.4 Proposed Quality Assurance Consultant's Qualifications**

In this section, Vendors will identify each individual proposed. Include the following information, at a minimum, for each person identified:

- Name;
- Description of relevant knowledge, skills and abilities;
- Description of relevant hardware and software experience;
- Description of knowledge, skills and experience with QA methodologies and tools proposed for this engagement;

- Description of education and training;
- Description of project management experience;
- Description of experience with knowledge transfer; and
- Description of experience with similar projects.

The Vendor may supply resumes to satisfy the requirements of this section provided the resumes include the minimum information required.

## **5.5 References**

### **5.5.1 Disqualified References**

References from entities that are owned by the Vendor, or are owned by an individual or entity who also owns a significant interest in the Vendor, are not acceptable and do not comply with the requirement of this subsection.

### **5.5.2 Which References Will be Contacted**

The references may be contacted during the evaluation of the Proposal. DRS reserves the right to limit its reference checks to a subset of those provided by the Vendor.

### **5.5.3 Vendor References**

Vendors will provide at least three but no more than five appropriate references of clients for whom the Vendor has performed comparable work. The references should be specific persons who are familiar with the proposed individual's background and work. The references may be current or past clients.

Provide the following information for each reference.

- Reference Company Name
- Name and Title of Contact Person
- Phone
- Time Frame of Services Provided
- Overall Project Budget For Which the QA Services Were Provided
- Description of Services Provided

## **5.6 Fee Schedule**

Vendors will use the Fee Schedule form in Exhibit D to provide the following information.

- Fixed price quote for the QA Work Plan in Section 3.5.3.1.
- Fixed price quote per QA Report in Section 3.5.3.2 (price quote is per report, it is anticipated that the engagement will involve 10 such reports), include any increases that may occur over the life of the engagement as identified in Section 3.6, Period of Performance.
- Fixed price quote for the Post-Implementation Report in Section 3.5.3.4.
- Hourly rate for the work performed on the QA Work Plan if agreement cannot be reached on the Work Plan and the fixed price quote (see Section 3.5.3.1).
- Hourly rate for work that DRS may request in accordance with Section 3.5.3.3, include any increases that may occur over the life of the engagement as identified in Section 3.6.

## **5.7 Certification and Assurances**

The Vendor's Proposal must be accompanied by a copy of the Certification and Assurances found in Exhibit B, signed by a person authorized to bind the Vendor's organization to a contract.

## 6. Evaluation and Award

### 6.1 Administrative Screening

All Proposals will be reviewed by the RFQQ Coordinator for completeness and compliance with the requirements specified in this RFQQ.

### 6.2 Qualitative Review

Proposals that pass administrative screening will be evaluated by the Evaluation Team and scored based on the Vendor's response. It is important that the responses be clear and complete, so that the evaluators can adequately understand all aspects of the Proposal.

The Evaluation Team will review each Proposal and award scores for all criteria. The Team will total the scores for all items to arrive at a Proposal Qualification's Score.

A Proposal will receive a Qualification's Score independent of any other Proposal. No comparative scoring will be done.

The maximum Proposal Qualification Score will be computed as follows:

• <b>Vendor's Qualifications/Capacity to Get the Job Done</b>	50 %
• <b>Proposed Quality Assurance Consultant's Qualifications</b>	50 %
<b>Proposal Qualification's Score</b>	100 %

### 6.3 Financial Evaluation

The RFP Coordinator will review the Vendor's Fee Schedule. Financial proposal scores will be based on the Total Rate (as defined on the Fee Schedule Form, Exhibit D). Financial proposal scores will be awarded in inverse, proportionate order, the lowest Total Rate receiving the highest score.

The Maximum value awarded to the Financial Proposal will be:

• <b>Proposal Qualification's Score</b>	80%
• <b>Proposal Financial Score</b>	20%
<b>Proposal Score</b>	100 %

### 6.4 Proposal Score

The RFP Coordinator will add the Proposal Qualification's Score to the Proposal Financial Score to arrive at a Proposal Score.

### 6.5 Finalist Interviews

Vendors with the highest Proposal Scores may be invited to an interview before an interview panel in Olympia, Washington.

Members of the interview panel will address questions to the proposed Quality Assurance consultant. These questions will include a set of standard questions to be asked of all finalists. The interview panel may also ask questions formulated during the interview process, as necessary, to clarify a

candidate's answers. The questions will not be disclosed to the Vendors in advance of the interviews.

Unavailability of the proposed Quality Assurance consultant for an interview may result in disqualification from further consideration and may result in the elevation of the Vendor with the next highest Proposal Score.

Scores will be awarded by the members of the interview panel based on the quality of the presentation and responses to questions.

Upon conclusion of the interview, the interview panel will arrive at a single consensus score for the interview.

Each Vendor's presentation will be scored independently and not in comparison to each other.

The Maximum value that will be awarded to the presentation/interview will be:

• Proposal Score	80%
• Interview Score	20%
<b>Total Final Score</b>	<b>100 %</b>

**Note:** At DRS' discretion, cost may or may not be the determining factor in its selection of a Vendor to perform services under this RFQQ.

## 6.6 Reference Checks

Reference checks will be performed on the highest rated vendor before selection of the Apparently Successful Vendor.

## 6.7 Contract Negotiations

Upon identification of an Apparently Successful Vendor, contract negotiations will begin. If, for any reason, a contract is not awarded to the first Apparently Successful Vendor, then the Vendor with the next highest Total Final Score that meets the desired qualifications may be considered for contract negotiations.

## 6.8 Notice

It is anticipated the Apparent Successful Vendor will be announced on the date specified in Section 1, Procurement Schedule. All Vendors will be notified by fax, email or mail as soon as possible after the announcement of the Apparently Successful Vendor.

## 6.9 Debriefing

Vendors who submitted a proposal that passed the administrative screening but were not selected, will be given the opportunity for a debriefing conference. The request for a debriefing conference must be in writing and received by the RFQQ Coordinator within three (3) business days after notification of the Apparently Successful Vendor. Requests may be transmitted by fax or email. The debriefing will be held within three business days of the request.

Debriefing discussion will be limited to a critique of the requesting Vendor's proposal. Comparisons between proposals or evaluations of other proposals will not be allowed. Debriefing conferences may be conducted in person or by telephone, and will be scheduled for a maximum of one (1) hour.

## **6.10 Protest Procedures**

A protest procedure is available to vendors who submitted a response to this solicitation document and who have participated in a debriefing conference. Upon completing the debriefing conference, the Vendor is allowed three business days following the debriefing to file a protest of the acquisition with the RFQQ Coordinator. Protests must be submitted in writing. Vendors protesting this procurement shall follow the procedures described in Exhibit C, General Information for Vendors. Protests that do not follow these procedures shall not be considered. The DRS decision constitutes the final step of the protest process. The resulting decision is final with no further administrative appeal available.



## Exhibits

Exhibit A – Sample Contract for Personal Services

Exhibit B – Certification and Assurances

Exhibit C – General Information for Vendors

Exhibit D – Fee Schedule Form

Exhibit E – General Terms and Conditions

**EXHIBIT A**

**Sample Contract for Personal Services**

CONTRACT NO.

CONTRACT FOR PERSONAL SERVICES  
BETWEEN  
STATE OF WASHINGTON  
  
AND

This Contract is made and entered into by and between the State of Washington, hereinafter referred to as the "AGENCY," and the below named firm, hereinafter referred to as "CONTRACTOR,"

Contractor Name  
Address  
City, State & Zip Code  
Phone  
E-mail Address  
Washington State UBI No.  
Federal ID No.

**PURPOSE**

The purpose of this contract is to

**SCOPE OF WORK**

- A. The CONTRACTOR will provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

*Option 1 Identify all tasks, work elements and objectives of the contract, and timetables by which major parts of the work are to be completed. The scope of work may be included within the text of the contract or attached as a separate exhibit as shown in Option 2 below.*

*Option 2 As included in the CONTRACTOR'S Proposal dated \_\_\_\_\_, attached as Exhibit B, and the AGENCY'S Request for Proposals attached as Exhibit C.*

- B. Exhibit A contains the General Terms and Conditions governing work to be performed under this contract, the nature of the working relationship between the AGENCY and the

CONTRACTOR, and specific obligations of both parties.

- C. The CONTRACTOR shall produce the following written reports or other written documents (deliverables) by the dates indicated below:

All written reports required under this contract must be delivered to \_\_\_\_\_, the Contract Manager, in accordance with the schedule above.

### **PERIOD OF PERFORMANCE**

Subject to other contract provisions, the period of performance under this contract will be from \_\_\_\_\_ through \_\_\_\_\_.

**NOTE:** *If the contract is required to be filed with the Office of Financial Management, in accordance with Chapter 39.29 RCW, include the following paragraph.*

### **OFM FILING REQUIREMENT (NOTE: Only if applicable)**

Under the provisions of Chapter 39.29 RCW, this personal service contract [or amendment] is required to be filed with the Office of Financial Management (OFM). No contract required to be so filed is effective and no work shall be commenced nor payment made until ten (10) working days following the date of filing, and if required, until approved by OFM. In the event OFM fails to approve the contract; the contract shall be null and void.

### **COMPENSATION AND PAYMENT**

AGENCY shall pay an amount not to exceed \_\_\_\_\_ (\$) for the performance of all things necessary for or incidental to the performance of work as set forth in the Scope of Work. CONTRACTOR'S compensation for services rendered shall be based on the following rates or in accordance with the following terms:

**NOTE:** *List detail of compensation to be paid, e.g., hourly rates, number for hours per task, unit prices, cost per task, cost per deliverable, etc. Or reference documents that specify Contractor's compensation and payment, e.g. Contractor's compensation for services rendered shall be based on the schedule set forth in Exhibit B, Fees and Expenses.*

**NOTE:** *Expenses are optional. Do not include Expenses paragraph below if expenses are not allowable. If allowable, include only expenses, which are appropriate for*

*the contract.*

**Expenses:** CONTRACTOR shall receive reimbursement for travel and other expenses as identified below or as authorized in advance by the AGENCY as reimbursable. The maximum amount to be paid to the CONTRACTOR for authorized expenses shall not exceed \$ which amount is included in the contract total in Paragraph A, "Amount of Compensation." Such expenses may include: airfare (economy or coach class only), other transportation expenses, and lodging and subsistence necessary during periods of required travel. CONTRACTOR shall receive compensation for travel expenses at current State travel reimbursement rates. To receive reimbursement, CONTRACTOR must provide a detailed breakdown of authorized expenses, identifying what was expended and when.

### **BILLING PROCEDURES**

**NOTE:** Payment can also be based upon satisfactory acceptance of each deliverable, payment after completion of each major part of the contract, payment at conclusion of the contract, etc.

AGENCY will pay CONTRACTOR upon receipt of properly completed invoices, which shall be submitted to the Project Manager not more often than monthly. The invoices shall describe and document to the AGENCY'S satisfaction a description of the work performed, the progress of the project, and fees. If expenses are invoiced, provide a detailed breakdown of each type. A receipt must accompany any single expenses in the amount of \$50.00 or more in order to receive reimbursement.

Payment shall be considered timely if made by the AGENCY within thirty (30) days after receipt of properly completed invoices. Payment shall be sent to the address designated by the CONTRACTOR.

The AGENCY may, in its sole discretion, terminate the contract or withhold payments claimed by the CONTRACTOR for services rendered if the CONTRACTOR fails to satisfactorily comply with any term or condition of this contract.

No payments in advance or in anticipation of services or supplies to be provided under this Contract shall be made by the AGENCY.

**NOTE:** *Optional Provision - The AGENCY shall withhold 10 percent from each payment until acceptance by the AGENCY of the final report (or completion of the project, etc.).*

### **CONTRACT MANAGEMENT**

The Contract Manager for each of the parties shall be the contact person for all communications and billings regarding the performance of this Contract.

Contract Manager for CONTRACTOR is:

Contract Manager for AGENCY is:

Contractor Name

Agency Name

Address

AddressCity, State, Zip CodeCity, State, Zip Code

Phone: ( ) Fax:

Phone: ( ) Fax:

E-mail address:

E-mail address:

**INSURANCE**

The CONTRACTOR shall provide insurance coverage as set out in this section [*or as set forth in the Request for Proposals No. \_\_\_\_\_*]. The intent of the required insurance is to protect the State should there be any claims, suits, actions, costs, damages or expenses arising from any negligent or intentional act or omission of the CONTRACTOR or subcontractor, or agents of either, while performing under the terms of this contract.

The CONTRACTOR shall provide insurance coverage, which shall be maintained in full force and effect during the term of this Contract, as follows:

1. Commercial General Liability Insurance Policy - Provide a Commercial General Liability Insurance Policy, including contractual liability, in adequate quantity to protect against legal liability arising out of contract activity but no less than \$1,000,000 per occurrence. Additionally, the CONTRACTOR is responsible for ensuring that any subcontractors provide adequate insurance coverage for the activities arising out of subcontracts.
2. Automobile Liability. In the event that services delivered pursuant to this contract involve the use of vehicles, either owned or unowned by the CONTRACTOR; automobile liability insurance shall be required. The minimum limit for automobile liability is:  
  
\$1,000,000 per occurrence, using a Combined Single Limit for bodily injury and property damage.
3. The insurance required shall be issued by an insurance company/ies authorized to do business within the State of Washington, and shall name the State of Washington, its agents and employees as additional insureds under the insurance policy/ies. All policies shall be primary to any other valid and collectable insurance. CONTRACTOR shall instruct the insurers to give AGENCY 30 days advance notice of any insurance cancellation.

CONTRACTOR shall submit to AGENCY within 15 days of the contract effective date, a certificate of insurance which outlines the coverage and limits defined in the *Insurance* section. CONTRACTOR shall submit renewal certificates as appropriate during the term of the contract.

**ASSURANCES**

AGENCY and the CONTRACTOR agree that all activity pursuant to this Contract will be in accordance with all the applicable current federal, state and local laws, rules, and regulations.

**ORDER OF PRECEDENCE**

Each of the Exhibits listed below is by this reference hereby incorporated into this contract. In the event of an inconsistency in this contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable Federal and State of Washington statutes and regulations
- Special Terms and Conditions as contained in this basic contract instrument
- Exhibit A - General Terms and Conditions
- Exhibit B - \_\_\_\_\_
- Exhibit C - Request for Proposals No.
- Any other provision, term or material incorporated herein by reference or otherwise incorporated

**ENTIRE AGREEMENT**

This Contract including referenced exhibits represents all the terms and conditions agreed upon by the parties. No other understandings or representations, oral or otherwise, regarding the subject matter of this contract shall be deemed to exist or to bind any of the parties hereto.

**CONFORMANCE**

If any provision of this Contract violates any statute or rule of law of the State of Washington, it is considered modified to conform to that statute or rule of law.

**APPROVAL**

This Contract shall be subject to the written approval of the AGENCY'S authorized representative and shall not be binding until so approved. The contract may be altered, amended, or waived only by a written amendment executed by both parties.

THIS CONTRACT, consisting of pages and attachments, is executed by the persons

signing below who warrant that they have the authority to execute the contract.

[CONTRACTOR'S NAME]

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

[AGENCY NAME]

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

APPROVED AS TO FORM

\_\_\_\_\_  
Assistant Attorney General

\_\_\_\_\_  
Date



---

## Exhibit B: Certification & Assurances

I/We make the following certifications and assurances as a required element of the solicitation document to which it is attached, understanding that the truthfulness of the facts affirmed here and the continuing compliance with these requirements and all requirements of RFQQ #1151 are conditions precedent to the award or continuation of the related Agreement(s).

1. The prices quoted in the response to which this Certification and Assurances is attached (the Response), have been determined independently, without consultation, communication or agreement with others for the purpose of restricting competition.
2. The attached Response is a firm offer for a period of ninety (90) days following the Response Due Date specified in the RFQQ, and it may be accepted by the Washington State Department of Retirement Systems without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the ninety (90) day period. In the case of protest, the protester's Response remains valid until the protest is resolved or the ninety (90) day offer period expires, whichever is later.
3. In preparing this Response, I/We have not been assisted by any current or former employee of the State of Washington whose duties relate (or did relate) to the State's RFQQ, or prospective Agreement, and who was assisting in other than his or her official, public capacity. Neither does such a person nor any member of his or her immediate family have any financial interest in the outcome of this Response. (Any exceptions to these assurances are described in full detail on a separate page and attached to this document.)
4. I/We understand that if, after review of the information contained on the Letter of Submittal, DRS determines that a conflict of interest exists or may exist, as defined in Chapter 42.18 RCW, Executive Branch Conflict of Interest Act, we and/or our employees may be disqualified from further consideration in this acquisition.
5. I/We understand that the State will not reimburse us for any costs incurred in the preparation of this Response. All Responses become the property of the State, and I/We claim no proprietary right to the ideas, writings, items or samples unless so stated in the Response. Submission of the attached Response constitutes agreement to abide by the procedures described in the RFQQ document.
6. I/We understand that any Agreement awarded as a result of this Response will incorporate all the State's RFQQ requirements, the contents of this Response and all Agreement terms and conditions appearing in Exhibit A of this RFQQ. Submission of a response and execution of this Certifications and Assurances document certify Vendor's willingness to comply with these or substantially similar terms if selected as a Contractor.
7. I/We understand that if selected as an Apparent Successful Vendor and I/We fail to sign the Agreement within five (5) business days of delivery of the final agreement to us, the State may elect to cancel the award without penalty.
8. It is further understood that under no circumstances will a Vendor-submitted contract to be considered as a replacement for the terms and conditions appearing in Exhibit A of this RFQQ. I/we understand that any Contract awarded as a result of this RFQQ will incorporate General Terms and Conditions and Special Terms and Conditions substantially similar to those set forth in the RFQQ document. I/We understand that although I/we may proposed changes to the Terms & Conditions included in the RFQQ document, DRS is under no obligation to include those changes in the final contract.
9. Unless otherwise required by law, the prices and/or cost data which have been submitted have not been knowingly disclosed by the Respondent and will not knowingly be disclosed by him/her to opening, directly or indirectly to any other Respondent or to any competitor.

Vendor (or Authorized Representative) Signature \_\_\_\_\_

Title \_\_\_\_\_

## Exhibit C: General Information for Vendors

### Proprietary Information - Public Disclosure

- Materials submitted in response to this competitive procurement will become the property of DRS.
- In the event a Vendor desires to claim that portions of its response are exempt from disclosure under the provisions of RCW 42.17.250 to .340, **it is incumbent upon the Vendor to identify those portions in the Vendor's response transmittal letter.** The transmittal letter must identify the page and the particular exception(s) from disclosure upon which it is making its claim. Each page claimed to be exempt from disclosure must be clearly identified by the word "confidential" printed on the lower right hand corner of the page.
- DRS will consider a Vendor's request(s) for exemption from disclosure; however, DRS will make a decision predicated upon applicable laws. An assertion by a Vendor that an entire volume of its proposal is exempt from disclosure will not be honored.
- Any request for materials will be charged for copying and shipping charges as outlined in RCW 42.17.300. No fee will be charged for inspection of contract files, but twenty-four hours notice is required. Requests for information should be addressed to the RFQQ Coordinator.

### Amendments To the Procurement Document

- DRS reserves the right to change the acquisition schedule or issue amendments to the RFQQ at any time due to: 1) changes in requirements during the evaluation process; 2) other reasons determined by DRS.
- In the event it becomes necessary to revise any part of this RFQQ, addenda will be issued. If any prospective Vendor has reason to doubt whether DRS is aware of the Vendor's interest in this specific procurement, it is incumbent on the Vendor to notify DRS to be sure that addenda are received. A vendor's inclusion on DRS's master vendor list is not sufficient to insure receipt of all documents related to this procurement.
- DRS reserves the right to revise this RFQQ in whole or in part, prior to the execution of a contract.
- DRS also reserves the right to cancel or to reissue the RFQQ in whole or in part, prior to execution of a contract.

### Waivers

DRS reserves the right to waive specific terms and conditions contained in this RFQQ. Acceptance of the proposal is predicated upon acceptance of all terms and conditions contained in this RFQQ.

### Cost of Preparing Proposals

DRS will not reimburse Vendor costs associated with preparing or presenting any response related to this RFQQ.

## Proposals Property of DRS

All materials and accompanying documentation which are not officially withdrawn by the Vendor prior to the due date and time indicated in the RFQQ Schedule will become the property of DRS, including responses arriving after the due date and time. Responses arriving after the due date and time will not be evaluated.

## Withdrawal of Proposals

Proposals may be withdrawn after submission any time up to the proposal due date in the RFQQ schedule. To accomplish this, a written request signed by the authorized representative of the Vendor shall be delivered or faxed to the RFQQ Coordinator. After withdrawing a previously submitted proposal, another proposal may be submitted at any time up to the proposal due date.

## No Obligation to Contract

DRS reserves the right to refrain from contracting with any Vendor. The release of this RFQQ does not compel the state to purchase. DRS may reject any and all proposals received and not execute contracts as a result of this RFQQ. Additionally, consistent with the law governing personal services contracts, DRS may opt to amend the contract awarded as a result of this RFQQ and increase or change the scope of work or add subsequent project work to the contract.

## No Endorsement

As a result of the selection of a Vendor to supply services to DRS, DRS is neither endorsing nor suggesting the Vendor's product is the best or only solution. The Vendor agrees to make no reference to DRS in any literature, promotional material, brochures, sales presentation, or the like without the express written consent of DRS.

## Most Favorable Terms

DRS reserves the right to make an award without further discussion of the response submitted; there will be no best and final offer procedure. ***[NOTE: An exception is that the RFQQ Coordinator may contact the Vendor for clarification of a portion of the response.]*** Therefore, the response should be initially submitted on the most favorable terms the Vendor can offer.

The RFQQ and some or all parts of the Successful Vendor's response will become part of the Contract between the Vendor and DRS. The Vendor's response will become a part of the official file on this matter without obligation to DRS. The Apparent Successful Vendor will be expected to enter into a Contract with DRS that is substantially the same as the Sample Contract including the General Terms & Conditions that are part of this solicitation.

## Nondiscrimination

No individual shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with any program provided by this contract because of race, color, creed, marital status, religion, sex, sexual orientation, national origin,

Vietnam Era or disabled veteran's status, age, the presence of any sensory, mental or physical disability, or political affiliation or belief. The prohibition against discrimination in employment because of disability shall not apply if the particular disability prevents the individual from performing the essential functions of his/her position, with or without reasonable accommodation.

## General Terms and Conditions

The *General Terms and Conditions*, included in Exhibit E will be included in any contract awarded as a result of the solicitation. In no event is a Vendor to submit its own standard contract terms and conditions as a response to this solicitation. The Vendor may, however, propose exceptions as allowed in the *Certifications & Assurances* section, Exhibit B of this RFQQ.

## Grounds for Protest

### Allowable Issues

Only protests setting out an issue of fact concerning the following subjects will be considered.

- a) a matter of bias, discrimination or conflict of interest,
- b) errors in tabulation, or
- c) Non-compliance with procedures described in the procurement document or agency policy.

### Disallowed Issues

Protests not based on procedural matters will not be considered. Protests will be rejected as without merit if they address such issues as:

- a) evaluator's professional judgment on the quality of a proposal,
- b) DRS' assessments of its own needs or requirements.

## Who may protest:

A Vendor may use these protest procedures if it (1) has submitted a response to this solicitation, and (2) has requested and received a debriefing conference.

## Limitations

Vendors protesting the award selection of the Apparent Successful Vendor must follow the procedures described below. Protests that do not follow these procedures will not be considered. This protest procedure constitutes the sole administrative remedy available to Vendors under this procurement. Chapter 34.05 RCW, Administrative Procedures Act (APA) does not apply to this procurement.

## Protest Form and Content

### Written Document

All protests must be in writing and signed by the protesting party or an authorized agent and submitted as set described in RFQQ section 6.9, Protest Procedures.

## Statement of Facts

The protest must state all facts and arguments about an allowable issue reasonably known by the protesting party at the time of the protest on which the protesting party is relying.

## Required Format

The protest must be set out in the following format:

- **Identity of Protester.** Name, address, and telephone number, FAX number, and contact person.
- **Identity of Solicitation.** Title of solicitation, date, and solicitation Coordinator.
- **Issue Protested.** State which of the allowable issues is being protested
- **Specific Facts and Circumstances.** Describe, with specificity and in chronological order, the exact facts and circumstances leading to the belief that a protestable event occurred. Such statement must include, but is not limited to the following:
  - a. *Dates* of documents, actions, etc.; and
  - b. *Names and titles* of all involved parties; and
  - c. *Statements, activities*, etc. of each involved party.
- **Resolution Requested.** State the requested resolution of the protest.
- **Attachments.** List and include copies of all documents referenced in the protest. However, you do not need to send a copy of your response or the RFQQ document.
- **Submit To.** All protests must be addressed to the RFQQ Coordinator.

## Protest Review

- Upon receipt of a protest, a protest review of the procurement process will be conducted by a DRS employee not involved in the acquisition. This is not a review of responses submitted or the evaluation scores received. The review is to ensure agency policy and procedures were followed, all requirements were met and all Vendors were treated equally and fairly. See Allowable and Disallowed Issues.
- If a protest may affect the interest of any other Vendor(s), such Vendor(s) will be given an opportunity to submit its view and any relevant information on the protest to DRS.
- DRS will consider the record and all facts available and issue a decision within five (5) working days of receipt of the protest unless additional time is required, in which case the protesting party will be notified by DRS of the delay. The decision of DRS will be final and conclusive.
- The final determination shall:
  - Find the protest lacking in merit and uphold DRS' action; or
  - Find only technical or harmless errors in DRS' acquisition process, determine DRS to be in substantial compliance, and reject the protest; or

- Find merit in the protest and pursue other DRS options, which may include:
  - Correct errors and reevaluate all proposals; and/or
  - Reissue the solicitation document; or
  - Make other findings and determine other courses of action as appropriate.

## Exhibit D

### Fee Schedule Form

Item	Rate 1	Effective Period	Rate 2	Effective Period	Rate 3	Effective Period	Rate 4	Effective Period
1. QA Work Plan: Fixed price, one rate (Section 3.5.3.1)								
2. QA Reports: Fixed price per report, show price increases for later periods, if applicable (Section 3.5.3.2)								
3. Post Implementation Report: Fixed price, one rate (Section 3.5.3.4)								
4. QA Work Plan: One hourly rate (Section 3.5.3.1)								
5. QA Consulting: Hourly rate, show price increases for later periods, if applicable (Section 3.5.3.3)								

#### For Evaluation Purposes:

Total Rate = Item 1 + (Item 2 Average Rate x 10) + Item 3 + (Item 4 x 10) + (Item 5 Average Rate x 80)

## Exhibit E: General Terms and Conditions

DEFINITIONS - As used throughout this contract the following terms shall have the meanings set forth below:

- (a) "DRS" shall mean the Washington State Department of Retirement Systems, any division, section, office, unit or other entity of the Department or any of the officers or other officials lawfully representing that Department.
- (b) "Contractor" shall mean that individual or other entity performing services under this contract. It shall include any subcontractor retained by the prime contractor as permitted under the terms of this Contract.
- (c) "Contracting Officer" shall mean that person appointed by DRS to approve this contract as to binding effect and thereby execute it and to administer this contract, on behalf of DRS. The term includes, except as otherwise provided in this contract, an authorized representative of the Contracting Officer acting within the limits of his authority. The Contracting Officer is the Assistant Director of the Information Services Division of the DRS.
- (d) "Provider" shall mean the same as "Contractor" previously defined, and any reference to one shall be deemed to apply equally to the other.
- (e) "Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those services under this contract for the Contractor. The term "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.
- (f) "Agency" shall mean the same as "DRS" previously defined, and any reference to one shall be deemed to apply equally to the other.
- (g) "RFP" shall mean the Request for Proposals produced by the Agency expressing the Agency's needs and expectations and inviting Contractor proposals.

CHANGES AND MODIFICATIONS - The Contracting Officer may, at any time, by written notification to the Contractor and without notice to any known guarantor or surety, make changes within the general scope of the contract in the services to be performed. If any such change causes an increase or decrease in the cost of, or the time required for the performance, an equitable adjustment may be made in the contract price, or period of performance, or both and the contract shall be modified in writing accordingly. Any claim by the Contractor for adjustment under this clause must be asserted within 30 days from the date of receipt by the Contractor of the notice of such change: Provided, however, that the Contracting Officer may, if (s)he decides that the facts justify such action, receive and act upon any such claim asserted at any time prior to final payment under this contract. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes." However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

CONFLICT OF INTEREST --- DRS may, by written notice to the Contractor:

- (a) Terminate the right of the Contractor to proceed under this contract if it is found, after due notice and hearing, by this Contracting Officer that gratuities in the form of entertainment; gifts, or otherwise, were offered or given by the Contractor to an



employee of DRS, with a view towards securing a contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to this contract.

- (b) In the event this contract is terminated as provided in (a) above, DRS shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by the Contractor. The rights and remedies of DRS provided for in this clause shall not be included and are in addition to any other rights and remedies provided by law. The existence of facts upon which the Contracting Officer makes any determination under this clause shall be an issue and may be reviewed as provided in the "Disputes" clause of this Contract.

**CONTRACTOR NOT EMPLOYEE OF DRS ---** The Contractor, his employees or agents performing under this contract are not to be deemed to be employees of DRS, nor as agents of DRS in any manner whatsoever. The Contractor will not hold himself out as nor claim to be an officer or employee of DRS or of the State of Washington by reason hereof and will not make any claim, demand, or application to or for any right or privilege applicable to an officer or employee of DRS or of the State of Washington.

**DISPUTES ---**

- (a) Except as otherwise provided in this contract, any dispute concerning a question of fact arising under this contract which is not disposed of by Contract shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail or otherwise finish a copy thereof to the Contractor. The decision of the Contracting Officer shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Contractor mails or otherwise submits a written appeal addressed to the Director of DRS. The Director of DRS may resolve any appeal beyond that decision of the Contracting Officer. All appeals may be subject to judicial review if otherwise provided by law.
- (b) This "Disputes" clause does not preclude the consideration of questions of law in connection with decisions provided for in paragraph (a) above: Provided that nothing in this contract shall be construed as making final the decisions of any administrative official, representative, or board on a question of law.

**INDEMNIFICATION ---** The Contractor shall defend, protect, and save harmless DRS from and against all claims, suits and actions arising from any negligent act or omission of the Contractor or any authorized subcontractor or any employees or agent of either in the performance of this contract.

**JURISDICTION ---** This Contract shall be construed and interpreted in accordance with the laws of the State of Washington and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

**LICENSING AND ACCREDITATION ---** The Contractor agrees to comply with all state licensing standards, all applicable accrediting standards, and any other standards or criteria established by DRS to assure quality of services.

**NONDISCRIMINATION IN CLIENT SERVICES ---** The Contractor will not, on the grounds of age, race color, sex, religion, ancestry, national origin, marital status, or the presence of any mental or sensory handicap:

- (a) Deny an individual any services or other benefits provided under this contract.
- (b) Provide any service(s) or other benefits to an individual, which are different or are provided in a different manner from those provided to others under this Contract.
- (c) Subject an individual to segregation or separate treatment in any matter related to his receipt of any service(s) or other benefits provided under this Contract.
- (d) Deny any individual an opportunity to participate in any program provided by this contract through the provision of services or otherwise, or afford him an opportunity to do so which is different from that afforded others under this contract. The Contractor, in determining (1) the types of services or other benefits to be provided, (2) the class of individuals to whom, or the situation in which, such services or other benefits will be provided, or (3) the class of individuals to be afforded an opportunity to participate in any services or other benefits, will not utilize criteria or methods of administration which have the effect of subjecting individuals to discrimination because of their age, race, color, sex, religion, ancestry, national origin, marital status, or the presence of any mental or sensory handicap, or have the effect of defecting or substantially impairing accomplishment of the objectives of this contract in respect to individual is of a particular age, race, color, sex, religion, ancestry, national origin, marital status, or the presence of any mental or sensory handicap.

**INDUSTRIAL INSURANCE COVERAGE:** --- The contractor shall provide or purchase industrial insurance coverage prior to performing work under this contract. The Agency will not be responsible for payment of industrial insurance premiums or for any other claim or benefit for this Contractor, or any Subcontractor or employee of the Contractor, which might arise under the industrial insurance laws during performance of duties and services under this contract. If the Department of Labor and Industries, upon audit determines that industrial insurance payments are due and owing as a result of work performed under this contract those payments shall be made by the Contractor; the Contractor shall indemnify the Agency and guarantee payment of such amounts.

**PAYMENT ---**

- (a) Advanced Payment Prohibited -- No payment in advance or in anticipation of services or supplies to be provided under this contract shall be made by DRS.
- (b) DRS shall make payments to Contractor for hours worked under this contract. Payment shall be made no later than thirty days after receipt of a properly submitted and correct invoice. Hours worked must be approved in advance of invoicing by the project manager. If payment(s) will be delayed, written notification to the Contractor will be provided within 10 days from the receipt date of the invoice.

No more than two invoices per month will be allowed. Each invoice must include company name, address and telephone number, invoice number, federal identification number, contract number, hours worked, the associated payment amount(s) and an invoice total. Copies of approved timesheets for the period being invoiced must be attached.

Invoices shall be directed to: ATTN: Jeff Wickman, SERS Project Manager, Washington State Department of Retirement Systems, P.O. Box 48380, Olympia, Washington 98504-8380

**RECORDS, DOCUMENTS, AND REPORTS** --- The Contractor shall maintain books, records, documents, and other evidence and accounting procedures and practices which sufficiently and properly reflect all direct and indirect cost of any nature expended in the performance of this contract. These records shall be subject at all reasonable times for inspection, review, or audit by State personnel and other personnel duly authorized by DRS, the Office of the State Auditor, and the federal officials so authorized by the law. The Contractor will retain all books, records, documents, other material relevant to this contract for five years after settlement, and the Office of The State Auditor, federal auditors, and any persons duly authorized by DRS) shall have full access to and the right to examine any of said materials during said period.

#### **OWNERSHIP OF WORK PRODUCT**

- (a) Contractor agrees that any work produced or programs developed under this contract and all rights thereto shall become and remain property of DRS. The Contractor shall not use or in any manner dispose of such work product or program to any third party without the prior written permission of DRS.
- (b) Contractor agrees to take all reasonable, steps necessary to ensure that the programs or work products or any portion thereof, in any form, developed under this contract are not made available by the Contractor or by any of his employees to any organization or individuals not included in this contract.
- (c) Contractor agrees to instruct its employees not to copy or duplicate any programs or work products or any portion thereof, in any form, or make any disclosure with reference thereto to any third party.

**SAFEGUARDING OF CLIENT INFORMATION** --- The use or disclosure by any party of any information concerning a recipient or client for any purpose not directly connected with the administration of DRS's or the Contractor's responsibilities with respect to services provided under this contract is prohibited except on written consent of the recipient or client or his attorney.

**SAVINGS** --- In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this contract and prior to normal completion, DRS may terminate the contract under the "Termination for Convenience" clause, subject to re-negotiation under those new funding limitations and conditions.

**SUBCONTRACTING** --- The Contractor shall not enter into subcontracts for any of the work contemplated under this Contract without obtaining prior written approval of DRS.

**TERMINATION FOR CONVENIENCE** --- The Contracting Officer may, by written notice, terminate this contract in whole or in part, when it is in the best interests of DRS. If this contract is so terminated, DRS shall be liable only for payment in accordance with the terms of this contract for services rendered prior to the effective date of termination.

**TERMINATION FOR DEFAULT** --- The Contracting Officer may, by written notice, terminate this contract in whole or in part for failure of the Contractor to perform any of the provisions hereof. In such event the Contractor shall be liable for damages, including excess cost of the procuring of similar services from another source. Provided that if (i) it is determined for any reason the Contractor was not in default,

or (ii) the Contractor's failure to perform is without his and/or his subcontractor's control, fault or negligence, the termination shall be deemed to be a Termination for Convenience.

#### TREATMENT OF ASSETS

- (a) Title to all property furnished by DRS shall remain in DRS. Title to all property purchased by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in DRS upon delivery of such property by the vendor. Title to other property, the cost of which is reimbursable to the Contractor under the contract, shall pass to and vest in DRS upon (i) issuance for the use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the costs thereof by DRS in whole or in part, whichever first occurs.
- (b) Any property of DRS furnished to the Contractor shall, unless otherwise provided herein, or approved by the Contracting Officer, be used only for the performance of this contract.
- (c) The Contractor shall be responsible for any loss or damage to property of DRS (including expenses entered thereunto) which results from willful misconduct or lack of good faith on the part of the Contractor or which results from the failure on the part of the Contractor to maintain and administer in accordance with sound management practices that property, to ensure that the property will be returned to DRS in like condition to that in which it was furnished to the Contractor.
- (d) Upon the happening of loss, or destruction of, or damage to, any DRS property, the Contractor shall notify the Contracting Officer thereof and shall take all reasonable steps to protect that property from further damage.
- (e) The Contractor shall surrender to DRS all property of DRS prior to settlement upon completion, termination, or cancellation of this Contract.
- (f) All reference to the Contractor under this clause shall include any of his employees or agents or subcontractors.

**PUBLICITY:** The Contractor agrees to submit to DRS all advertising, sales promotion, and other publicity matters relating to any Product furnished by the Contractor wherein DRS or a DRS clients name is mentioned or language used from which the connection of DRS or a DRS clients name therewith may, in DRS judgment, be inferred or implied; and the Contractor further agrees not to publish or use such advertising, sales promotion, or publicity matter without the prior written consent of DRS.